

1 **OLAF W. HEDBERG (Bar No. 151082)**

2 **Law Office of Olaf W. Hedberg**

3 901 H Street, Suite 301

4 Sacramento, CA 95814-1808

5 Telephone: (916) 447-1192

6 Email: [ohedberg@yahoo.com](mailto:ohedberg@yahoo.com)

7 Attorney for Defendant

8 **MICHAEL KHANNA**

9 **UNITED STATES DISTRICT COURT**

10 **EASTERN DISTRICT OF CALIFORNIA**

11 UNITED STATES OF AMERICA, )

Case No. 2:22-CR-0213 KJM

12 ) Plaintiff,

EX PARTE REQUEST FOR ORDER  
ISSUING SUBPOENA DUCES  
TECUM TO THE KAIMON GROUP,  
INC. dba SCRAPRIGHT;  
[PROPOSED] ORDER DIRECTING  
U.S. MARSHAL TO SERVE  
SUBPOENA

13 ) vs.

14 ) MICHAEL KHANNA.,

15 ) Defendant.

16 ) [LOCAL RULE 141]<sup>1</sup>

17 )  
18 **I. INTRODUCTION**

19 Michael Khanna, through appointed counsel Olaf Hedberg (“Defendant”), requests an  
20 order to issue a Subpoena Duces Tecum to The Kaimon Group, Inc. dba ScrapRight  
21 (“ScrapRight”), 413 Phoenix Drive, Chambersburg, PA 17021. Defendant also seeks a court  
22 order directing the United States Marshal to serve the subpoena duces tecum upon ScrapRight.  
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24 The ScrapRight subpoena is attached to Defendant’s request as Exhibit A.

25 )/ / /

26 <sup>1</sup> Submitted to Duty Judge Magistrate Judge Kim at [cskorders@caed.uscourts.gov](mailto:cskorders@caed.uscourts.gov).

1       II. BACKGROUND

2           Defendant Michael Khanna, members of his family, and others are charged with  
 3 conspiracy to transport stolen property interstate; conspiracy to launder money; and interstate  
 4 transportation of property. First Superseding Indictment, Doc. 247 (“1SSI”). The government  
 5 alleges that Defendants conspired to transmit catalytic converters to the Khanna Defendants’  
 6 place of business where the precious metal powders were extracted and then transported  
 7 elsewhere to be sold for profit. 1SSI ¶¶ 10-11.

8           In November 2022, Defendant and his parents, Anita Khanna and Nirmal Khanna, took  
 9 over business operations under a new name after the arrest of his brothers. 1SSI ¶¶ 30 and 31.  
 10 As part of daily business operations, Defendant used proprietary software technology called  
 11 ScrapRight to inventory all vehicles purchased for scrap and recycling. Counsel anticipates that  
 12 Defendant Michael Khanna’s use of ScrapRight to disclose inventory and comply with all laws  
 13 and regulations may contradict the government’s allegations against him and his parents and  
 14 decrease any loss amount.

15          Defendant and his parents purchased a subscription for ScrapRight, a database designed  
 16 specifically for scrap metal recycling businesses to inventory non-operational and wholesale  
 17 vehicles. ScrapRight also served as the mechanism to inform New Jersey Department of  
 18 Transportation that vehicles were recycled for scrap. Information entered into ScrapRight, such  
 19 as the VIN, condition and composition of the vehicle (often the absence of tires, catalytic  
 20 converters and various parts), and other details were transmitted from ScrapRight to New Jersey  
 21 Department of Transportation to demonstrate compliance with New Jersey state regulations.

22          Defendant must subpoena records from ScrapRight because it is the only custodian and  
 23 source of the vehicle information entered into its database. Defendant did not maintain any paper  
 24 records of ScrapRight transactions.

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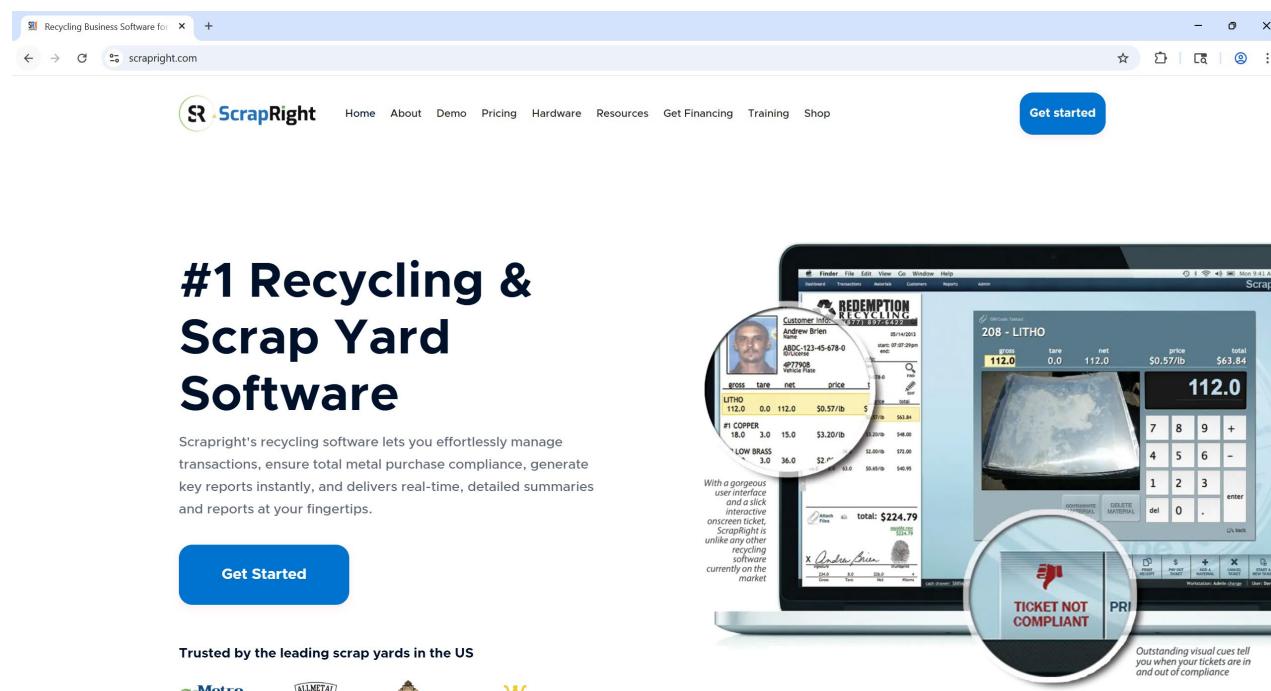
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1           III. GOOD CAUSE EXISTS TO REQUIRE RETURN OF THE DOCUMENTS BEFORE  
 2           TRIAL

3           Defendant's subpoena to ScrapRight is relevant to his defense because these records will  
 4 establish that Defendant engaged in lawful business by subscribing to proprietary recycling and  
 5 scrap yard software to report his compliance with New Jersey laws and regulations. Counsel  
 6 anticipates that ScrapRight records will generate additional defense investigation and third-party  
 7 subpoenas. Counsel may also designate ScrapRight records as defense trial exhibits.

8           The subpoena specifying material sought by the ScrapRight is based upon Defendant's  
 9 use of the proprietary software, confirmation of the subscription held by Defendant with  
 10 ScrapRight's creator Shon Duty, and review of the ScrapRight website characterizing its product  
 11 as "recycling software ... [to] ensure total metal purchase compliance, generate key reports  
 12 instantly, and ... deliver[ ] real-time, detailed summaries and reports. ...".

13

14           

15           ScrapRight's recycling software lets you effortlessly manage  
 16 transactions, ensure total metal purchase compliance, generate  
 17 key reports instantly, and delivers real-time, detailed summaries  
 18 and reports at your fingertips.

19           With a gorgeous user interface and a slick interactive onscreen ticket, ScrapRight is  
 20 unlike any other recycling software currently on the market.

21           Trusted by the leading scrap yards in the US

22           

23           [Get Started](https://www.scrapright.com/)

24

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26

27           <https://www.scrapright.com/>

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1 Defendant Khanna has not accessed ScrapRight since March or April 2022. He  
 2 utilized its Purchasing, Inventory Management, and Accounting and Reporting features but  
 3 did archive this data. According to ScrapRight's online content, the software is capable of  
 4 "generating detailed reports with a breeze."

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<https://www.scrapright.com/>

16 Defendant's subpoena addresses ScrapRight's burden to comply with the subpoena  
 17 with instructions to (1) produce ScrapRight ESI and reports in readable usable CSV format or  
 18 as images (TIFF, JPG, and/or PDF), and (2) furnish an index referring to common metadata  
 19 (file/document title, creator, date/time created, accessed, modified). Defendant's production  
 20 protocol conserves resources because the alternative approach, seeking funds for a monthly  
 21 ScrapRight subscription to examine and convert ESI, is impractical.

22 The ScrapRight subpoena also seeks all communication and documents regarding  
 23 Defendant's subscription. Finally, the subpoena contains a request for ScrapRight to sign a  
 24 certificate to authenticate its records. The burden to produce ScrapRight records sought is  
 25 outweighed by the likelihood that such information can establish that Defendant operated a  
 26 lawful business.

27 Rule 17(c) of the Federal Rules of Criminal Procedure authorizes issuance of third

1 party subpoenas duces tecum, requiring pretrial production of documents pertaining to the  
2 defense. For the reasons stated herein, the subpoena duces tecum for ScrapRight records is  
3 relevant and admissible and has been identified with specificity. *See, e.g., United States v.*  
4 *Eden*, 659 F.2d 1376, 1381 (9<sup>th</sup> Cir. 1981). *Eden* further requires that the proponent  
5 demonstrate that the materials are not available from any other source and that their  
6 examination should not await trial. *Eden*, 659 F.2d at 1381.

7 **IV. THE ATTACHED SUBPOENA INDICATES THAT SCRAPRIGHT MAY RETURN**  
8 **THE DOCUMENT TO THE COURT**

9 The records sought by the ScrapRight subpoena were generated by Defendant in the course  
10 of business and maintained in a proprietary database. As such, the ScrapRight subpoena allows  
11 return of the business records to defense counsel to eliminate the need for an ex parte hearing  
12 to release the records.

13 **V. CONCLUSION**

14 It is respectfully requested that Your Honor sign the order below, and return to defense  
15 counsel, so that the subpoena may issue and that copies of this order may be filed with the  
16 clerk.

17  
18 Dated: December 11, 2025

LAW OFFICES OF OLAF W. HEDBERG

19  
20 /s/Olaf W. Heberg

21 OLAF W. HEDBERG

22 Counsel for Defendant MICHAEL KHANNA

## ORDER

The Court has considered Defendant Michael Khanna's Ex Parte Request for a Subpoena to The Kaimon Group Inc. dba ScrapRight, and finds that good cause to issue this subpoena and order service of the subpoena by the U.S. Marshal.

Accordingly, IT IS HEREBY ORDERED that:

1. The Clerk of Court issue the subpoena duces tecum to ScrapRight;
2. The U.S. Marshal serve the subpoena upon The Kaimon Group Inc. dba ScrapRight, at 413 Phoenix Drive, Chambersburg, PA 17021; and
3. The U.S. Marshal furnish the return of service to counsel for Michael Khanna.

Dated: December 11, 2025

Carolyn K. Delaney

CAROLYN K. DELANEY  
UNITED STATES MAGISTRATE JUDGE